



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.ladhs.org

*To improve health
through leadership,
service and education.*



www.ladhs.org

November 14, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	H/UCLA - 7319748	\$10,000
(2)	Account Number	LAC+USC - Various Accounts	\$10,000

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The compromise offer of settlement for patient accounts (1)-(2) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amounts the Department will be able to receive under the legal settlements involved in these cases.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

IMPLEMENTATION OF STRATEGIC PLAN GOALS:

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING:

This will expedite the County's recovery of revenue totaling approximately \$20,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority, requires Board approval.

Typically, recoveries in legal settlements are approximately divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and his or her lawyer.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:lg (R:\LMARTINEZ\COMPROMISE\BRDLTR#46\LETTER)

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: November 14, 2006

Total Charges	\$84,468	Account Number	7319748
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$84,468	Date of Service	12/15/05 – 12/24/05
Compromise Amount Offered	\$10,000	% Of Charges	12%
Amount to be Written Off	\$74,468	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in a pedestrian versus automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$ 84,468 for medical services rendered. The patient was financially screened but did not apply for any of the County's reduced cost programs (NOTE: As a single adult, not permanently disabled, patient was not linked to Medi-Cal). The patient's third party liability claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$5,000	\$2,500	17%
Lawyer's Cost	\$0	\$0	0%
H/UCLA Medical Center	\$84,468	\$10,000	66%
Other Lien Holders	\$0	\$0	0%
Patient		\$2,500	17%
Total		\$15,000	100%

* The patient's attorney reduced his fees from 33% to 17%.

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet her obligation to H/UCLA Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: November 14, 2006

Total Charges	\$71,502	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$71,502	Date of Service	Various
Compromise Amount Offered	\$10,000	% Of Charges	14%
Amount to be Written Off	\$61,502	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a collision with a motorcycle. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$71,502 for medical services rendered. Patient was financially screened and Workers Compensation State Fund (WC) was initially identified as the responsible payor. Ultimately, it was identified that this accident was not work related and the account was referred to DHS' Outside Collection Agency (OCA). The OCA identified a third party tortfeasor, which settled for \$30,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement**
Lawyer's Fees *	\$10,000	\$9,457	31.5%
Lawyer's Cost	\$288	\$288	1.0%
LAC+USC Medical Center	\$71,502	\$10,000	33.0%
Other Lien Holders	\$798	\$798	3.0%
Patient		\$9,457	31.5%
Total		\$30,000	100%

* The patient's lawyer reduced his fees from 33.0% to 31.5%.

** 36.0% of the settlement was allocated to all lien holders – (33.0% to LAC+USC and 3% to others).

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.

R:\LMARTINEZ\COMPROMISEBRDLTR#46\TPLACCTVARIOUS.DOC

Board Agenda: November 14, 2006

FACT SHEET

RE: REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT

All Districts.

CONTACT PERSON:

Department of Health Services
Larry Gatton, Chief
Revenue Services
(213) 240-8366

SUBJECT:

The Director of Health Services is filing a Board letter for the November 14, 2006 agenda to obtain Board approval of the compromise offers of settlement for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	H/UCLA – 7319748	\$10,000
(2)	Account Number	LAC+USC – Various Accounts	\$10,000

REQUESTED ACTIONS:

The Board is being asked to authorize the Director of Health Services, or his designees, to accept the compromise offers of settlement for the patient accounts above in accordance with the Compromise Ordinance adopted by the Board on January 15, 2002.

PROGRAM:

In January, 2002 the Board approved an ordinance granting the Director authority to reduce patient account liabilities when in the best interest of the County.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less, with any reduction exceeding the Director's authority requiring Board approval.

CONTRACT AMOUNT:

Not applicable.

TERMINATION PROVISIONS:

Not applicable.

TERM OF CONTRACT:

Not applicable.

AUTOMATIC RENEWAL:

Not applicable.

Board Agenda: November 14, 2006

FIRST BOARD APPROVAL:

Not applicable.

RETROACTIVE AGREEMENT:

Not applicable.

REQUEST FOR PROPOSALS PROCESS:

Not applicable.

SOLE SOURCE JUSTIFICATION:

Not applicable.

SMALL BUSINESS' WEB SITE:

Not applicable.